

Second Quarter 2015 funds under management update

Positive net inflows in the second quarter of 2015

23 January 2015

Perpetual Limited (Perpetual) today announced its funds under management (FUM) as at 31 December 2014 were \$31.8 billion¹, with net inflows of \$0.5 billion for the quarter. Total average FUM for the three months to 31 December 2014 were \$31.3 billion.

Perpetual's CEO and Managing Director Geoff Lloyd said: "We continue to see positive net flows contributing to a strong 1H15 for Perpetual."

"The launch of our first listed investment company, which raised approximately \$250 million, contributed to inflow during the period," Mr Lloyd said.

Change in FUM

The change in Perpetual's FUM of \$1.1 billion over the three months to 31 December 2014 was mainly attributable to:

- an increase of \$0.6 billion which comprised of \$0.7 billion due to market appreciation offset by \$0.1 billion of semi-annual distributions;
- \$0.5 billion of net inflows during the quarter included:
 - Net inflows into Australian Equities of \$0.5 billion primarily from the institutional channel;
 - Approximately \$250 million raised by Perpetual's first listed investment company (LIC), Perpetual Equity Investment Company Limited, making it the largest capital raising for a LIC since the global financial crisis;
 - Net outflows of \$0.2 billion from Cash and Fixed Income strategies which included net outflows from the enhanced cash strategy of \$0.3 billion from the institutional channel and net inflows into credit fund strategies of \$0.1 billion from the intermediary channel.

Appointments and mandates

A strategic focus on sales and distribution continues and the following appointments were made:

- Perpetual's Diversified Income Fund and Australian Share Fund were added to a newly launched limited menu platform offered by a leading wealth management organisation;
- Perpetual's Pure Equity Alpha Fund and Pure Microcap Fund were added to the Investment and Super Accumulator menus of a key industry platform;
- Perpetual's Direct Equity Alpha SMA Portfolio was added to the menu of a leading wrap platform;
- Perpetual's Diversified Real Return Fund was added to the menu of a wholesale fund platform provided by a large wealth management group;
- Perpetual's Australian Share Fund was added to the model portfolios of the dealer groups of a large wealth management organisation.

During the quarter, Perpetual Investments was awarded a mandate for its Concentrated Shares strategy from an institutional client. The mandate is reflected in the above net inflows.

¹ All figures in this update are in Australian dollars and are rounded.

Ratings and awards

Over the quarter, Perpetual Investments was a finalist for the Fund Manager of the Year, won the Australian Equities - alternative strategy category and was a finalist in the Australian Equities large cap category at the Professional Planner / Zenith Fund Awards 2014.

Perpetual was also recognised as a Gold Winner for Best Australian Share Funds in Money Magazine's Best of the Best Awards 2015, with two funds placing first in the category.

Changes since June 2012	As at 31 Dec 2014
Additions to:	
Discretionary platforms	25
Financial adviser APLs	17
Model Portfolios	18
Fund ratings:	
Fund rating upgrades	19
New fund ratings of investment grade (or its equivalent) or above	16

Appendix

- FUM and flows data by channel, asset class and strategy.

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About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au

Appendix

FUM and flows by channel

Channel (A\$ billion)	30 Sep 2014	Net Flows	Other ²	31 Dec 2014
Retail	5.4	-	0.2	5.6
Intermediary	14.5	0.2	0.3	15.0
Institutional	10.8	0.1	0.1	11.0
Listed Investment Company	-	0.2	-	0.2
Total	30.7	0.5	0.6	31.8

FUM and flows by asset class

Asset Class (A\$ billion)	30 Sep 2014	Net Flows	Other ²	31 Dec 2014
Australian Equities	22.2	0.5	0.6	23.3
Global Equities	1.3	-	-	1.3
Listed Investment Company	-	0.2	-	0.2
Total equities	23.5	0.7	0.6	24.8
Cash & Fixed Income	6.2	(0.2)	(0.1)	5.9
Other	1.0	-	0.1	1.1
Total: all asset classes	30.7	0.5	0.6	31.8

² 'Other' includes changes in asset value, income, reinvestments, distributions, and asset class rebalancing within the Group's diversified funds.

Channel definitions: Retail includes FUM from advisers and individual clients who invest with Perpetual directly; Intermediary includes FUM from financial advisers who invest with Perpetual via external platform providers; Institutional includes industry superannuation funds and clients who invest large sums.

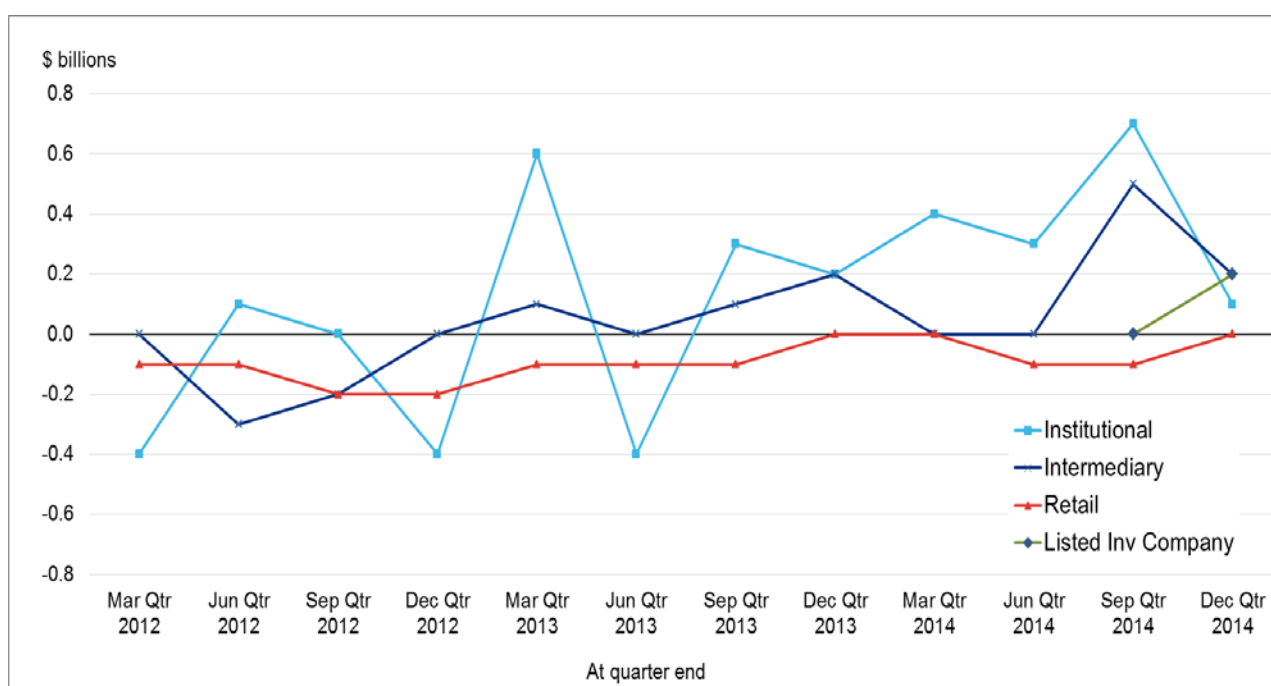
Australian Equities

FUM by strategy 31 December 2014 (A\$ billion)	Intermediary & Retail	Institutional	Total FUM
Ordinaries	3.0	4.8	7.8
Industrials	6.5	-	6.5
Concentrated	1.3	2.3	3.6
Smaller Companies	0.7	0.4	1.1
Other	3.2	1.1	4.3
Total Australian Equities	14.7	8.6	23.3

Cash and Fixed Income

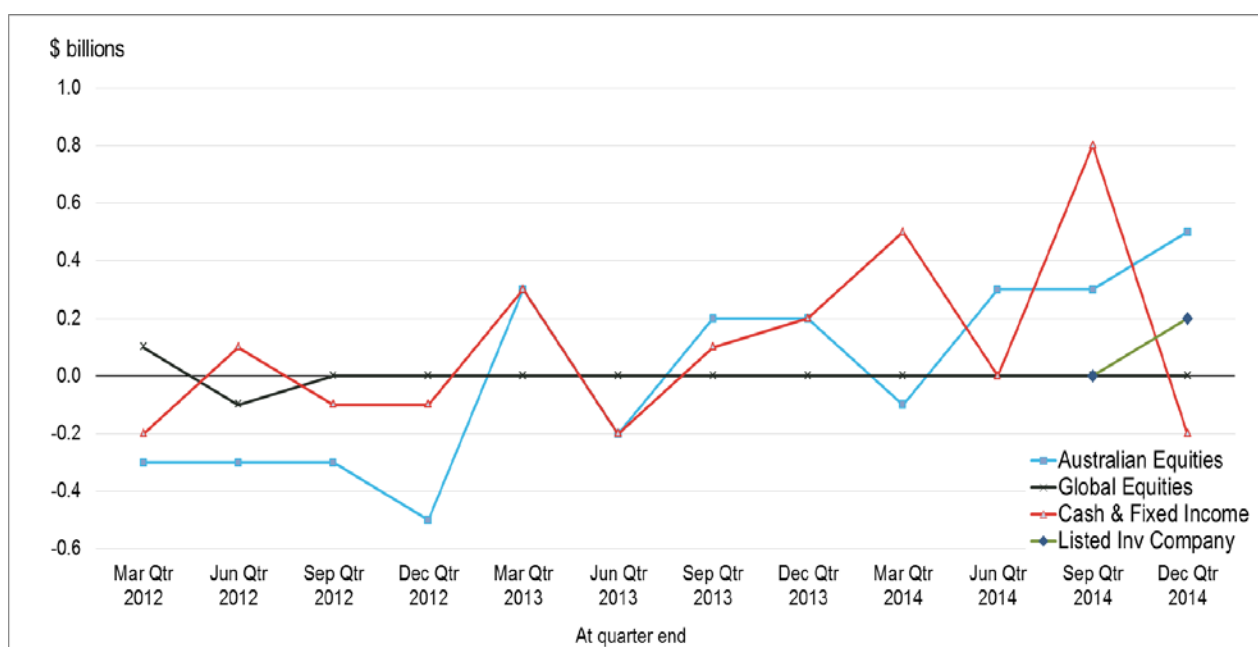
FUM by strategy 31 December 2014 (A\$ billion)	Intermediary & Retail	Institutional	Total FUM
Cash / Enhanced Cash	0.9	2.2	3.1
Credit / Fixed Income	2.5	-	2.5
Sub-total	3.4	2.2	5.6
Exact Market Cash			0.3
Total			5.9

Net flows by channel: 2012 – 2014



Note: Excludes returns of capital to investors for mortgage funds and the Perpetual Private portfolio wrap service cash

Net flows by asset class: 2012 – 2014



Note: Excludes 'Other' Asset Class, return of capital to investors for Mortgage Funds and the Perpetual Private portfolio wrap service cash.